

## BUSINESS STATISTICS - 18th NOVEMBER, 1940.

The expanding war effort dominates the economic situation, overshadowing the deterioration in the rural outlook caused by drought. Bank clearings are at record levels, small savings show rapid accumulation and results of transport services have improved greatly. Interest rates still tend lower, bond and share prices have firmed and sales of real estate have increased. Oversea imports show some moderation.

A decline in private building has been offset in part by military buildings. Housebuilding remains active in the Metropolis but has decreased elsewhere.

C O N T E N T S.

## PART

I	<u>Season:</u>	Rain in parts but drought unrelieved.
	<u>Export Prices and External Conditions</u>	Aust. export prices unchanged. Conditions in U.K. - Mobilisation of man power. Restriction of consumption - mounting war expenditure. Shipping losses. Conditions in U.S.A. - Re-election of Roosevelt. Acceleration of war production.
	<u>Currency Relationships:</u>	Sterling strong in New York. Sterling-yen exchange.
	<u>Wool:</u>	Progress of appraisements. Arrivals in Sydney. Wool trade in U.K. and U.S.A.
	<u>Wheat:</u>	Poor Aust. harvest prospects. Aust. wheat policy. Futures firm in Chicago. Local market brighter on export flour orders. Changes in wheat and flour prices.
	<u>Butter:</u>	Production in N.S.W. Factories - Sept. and Sept. Qr. 1940. Intra-State Quota Nov. 1940. Pay for cream, North Coast Factories - Oct., 1940.
	<u>Metals:</u>	Tin and silver firm in London. Export parity prices of Aust. metals - September, 1940.
II.	<u>Bank Clearings - Sydney:</u>	October, and Jan.-Oct, 1940.
	<u>Real Estate, N.S.W.</u>	Sales and Mortgages - Oct. and Jan.-Oct., 1940.
	<u>Stock Exchange, Sydney:</u>	October, 1940.
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		<u>Bonds:</u> October-November, 1940. Proposed War Loan.
	<u>Savings Banks:</u>	Deposits and Open Accounts at Oct. 31, 1940. War Savings Certificates.
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III.	<u>Buildings Commenced.</u>	Value and No. of houses. Oct. and Jan.-Oct., 1940.
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	<u>Building Permits - Rural and Industrial Towns:</u>	Value and Dwellings Sept. Qr. and Jan.-Sept., 1940.
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	<u>Railways, N.S.W.:</u>	Passengers, Freight and Finance - Sept. and Sept. Qr., 1940.
	<u>Trams and Buses:</u>	Passengers and Finance - Sept. and Sept. Qr., 1940.

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## PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Except for moderate falls in north-eastern inland areas and moderate to heavy rain along the coast very dry conditions continue. Even the coastal hinterland has not benefited materially. The index of rainfall indicates the severity of the drought:-

1940. Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct.

Weighted average ratio of actual to normal rainfall (100).

Sheep Districts	30	34	46	204	33	17	21	36	109	18
Wheat "	24	18	21	227	36	17	33	36	116	11
Dairying "	58	47	104	88	39	58	18	90	50	85

Rain now cannot benefit (but might damage) wheat crops and a poor harvest is certain. Pastures, already mostly poor, are deteriorating and cannot be restored except by periodic rains throughout the summer. Drought conditions are shown in the quality of stock coming to market.

EXPORT PRICES AND  
EXTERNAL TRADE  
CONDITIONS.

Australian export prices (Commonwealth Bank index) continue at about 82 per cent. of the 1927 average and are approximately equal to the average for the prosperous years 1935-36 to 1937-38. Provision of shipping space remains a problem. British shipping losses have been heavy - Mr. Churchill describes them as more serious than bombing in Britain - and though contracts are reported to have been placed in U.S.A. for many cargo vessels, it is doubted if losses can be fully offset. Homeward freight rates will be increased by 15 per cent. from Dec.1, 1940.

Britain is mobilising more man power - calling another million men to the colours, and drafting another  $1\frac{1}{4}$  million men and women into war industries - and at the same time is restricting consumption of luxuries and near luxuries to force labour into activities furthering the war effort. A curtailment of certain forms of export production for intra-Empire trade is foreshadowed. Such a development might result in the building up of Australian funds in London. The effect on consumption in Australia would, in large part, depend upon whether steps are taken to prevent local manufacture of the non-essentials no longer available from Britain.

Britain's purchases tax operated from Oct. 21, 1940. Anticipatory buying exhausted home quotas in some cotton mills for upwards of six months. It is reported that so far the cotton trade is able to compete successfully in overseas markets. Wholesale commodity prices have been very steady as a whole and are slightly lower than early in July, 1940 but in some quarters an increase of £207 m. in clearing bank deposits in three months is regarded as a symptom of inflation. On Nov. 3 an increase of 13 per cent. in steel prices and of 6 per cent. in railway charges was announced. Britain's war expenditure has mounted and Government disbursements are now about £100 m. a week.

Industrial stocks in London have reached the highest average price since May last, and last week the market was strong. Share prices eased a little in New York, reacting after the sharp advance of the preceding week.

President Roosevelt's assured re-election is perhaps the outstanding factor affecting future political and economic developments. America stands pledged to share her output of war materials equally with Britain, and vigour in accelerating production is being shown. The Federal Reserve System is to assist thousands of small firms working on the defence programme.

The Thailand goodwill mission arrived in Sydney on November 7, 1940.

CURRENCY  
RELATIONSHIPS.

The British official rate of exchange, sterling for dollars has remained unchanged at \$4.03 to £stg. since early in September, 1939. In the open market in New York the rate of exchange averaged only \$3.28 to £stg. in May last, but during the past three months it has been at

/approximate.....



approximate parity with the official rate. At the end of last week the quotation was  $\$4.04$  to £stg. While the strength of sterling in the open market is attributable to almost complete official control of foreign exchange the small remaining market is subject to fluctuations and the present showing may be regarded as reflecting confidence in Britain's credit status engendered by recent successes in air and sea warfare.

The sterling-yen rate has strengthened from about yen  $17\frac{1}{2}$  to £stg. early in June, 1940 to yen  $14\frac{1}{4}$  to £stg.

The course of the rate of sterling exchange in the open market in New York was as follows:-

Aug., 1939.	Feb., 1940.	May, 1940.	July, 1940.	Sept., 1940.	Oct., 1940.	Nov., 1940.
Monthly Average. \$ to £stg.						
4.61	3.96	3.28	3.81	4.04	4.04	4.04

**WOOL.** "To meet demands which may be occasioned by the requirements of the United States of America and the strategic storage scheme in that country" wool appraisements have been speeded up. It is now planned to deal with 1,947,680 bales of wool in Australia before Christmas instead of 1,750,000 bales as originally proposed. On Nov. 13 the Wool Board revealed that Australian appraisements to date were 1,126,841 bales of a total appraised value of £17,680,797. Of the wool appraised 71,066 bales have been allocated for scouring and 27,347 bales for carbonising in Australia. Average appraised prices, per lb. greasy were:-

<u>N.S.W.</u>	<u>Vic.</u>	<u>Q'land.</u>	<u>S.Aust.</u>	<u>W. Aust.</u>	<u>Tas.</u>	<u>C'wealth.</u>
11.39d.	12.31d.	12.15d.	11.18d.	11.77d.	12.93d.	11.66d.

In Sydney the quantity of wool appraised to Nov. 14, 1940 was 586,253 bales, compared with 349,396 bales to the corresponding date of last season. From July 1 to Nov. 14 wool received in Sydney totalled 935,859 bales in 1940 and 966,829 bales in 1939. Shearing was executed rapidly this season and the decrease in receipts is likely to become more marked in following months.

The British Government has also purchased the exportable surplus of sheepskins. The Wool Board stated that 45,983 bales had been appraised for which £1,055,700 had been paid.

A National Wool Export Corporation (British) was formed recently to foster trade by exploring export openings. A British trade mission to South America may, it is thought in Bradford, pave the way for British acquisition of Argentine and Uruguay wool clips, thereby giving Britain control of the world's exportable textile wool.

In the United States wool tops have recovered to the high level of Sept., 1939. The requirement of the use of domestic wool only for military orders for clothing and blankets has been suspended, and the "Journal of Commerce" (New York) stated that an estimated quantity of 25 million lb. of Australian wool had been bought for the United States between Sept. 1 and Oct. 19, 1940. American mills are busy on defence orders and civilian unfilled orders are greater than at any time since the boom period in 1938.

Wool prices are compared below. As the appraised average price for the Commonwealth appears likely this season to be appreciably below that of last season, a greater equalisation payment will be required at the end of the season to bring payments to growers to the agreed price under the British purchase.

#### AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

	<u>1931-33.</u>	<u>1936-37.</u>	<u>1937-38.</u>	<u>1938-39.</u>	<u>1939-40.</u>	<u>1940-41.</u>
Pence (Aust.) per lb.	8.5	16.4	12.7	10.3	13.4 ø	13.4 ø
ø Agreed price for Australian clip (13.4375d. Aust.) per lb.						

## PART I (Continued)

WHEAT. The Australian Wheat Board estimates that the wheat harvest in Australia in 1940-41 may be no more than 82 million bushels, made up as follows:-

	N.S.W.	Vic.	S.Aust.	W.Aust.	Q'land.	Total
Mill.bus.	28	14	15	20	5	82

Deliveries to the Board may be about 62 m. bus. compared with 195.5 m. bus. in 1939-40.

A further conference of Commonwealth and State Ministers to discuss the Commonwealth plan for stabilisation of the wheat industry is meeting in Canberra today. That plan, proposed to operate in 1940-41, embodied the following features:-

- (1) A guaranteed price of 3s.6d. a bus. f.o.r. at ports for bagged wheat;
- (2) creation of a compensating fund between years of low and of high export parities; and (3) the licensing of growers who will be required to give an undertaking to sow only authorised acreages.

Wheat futures in Chicago show a slight upward tendency; December options rose  $5\frac{1}{2}$  cents. a bushel between Nov. 1 and Nov. 16, 1940 and are at the highest level since May last. In Winnipeg futures are only a cent or so a bushel above fixed minima. On the London Baltic Exchange prices, after easing, have strengthened again a little. Argentine for Jan.-Feb. shipment is quoted at 19s. a qr.; 3d. a bus. lower than on Nov. 1. Australian is at 25s. a qr. and Canadian (ex St. John's) at 33s.7 $\frac{1}{2}$  a quarter.

Sales for flour for export to the East caused the local wheat market to brighten a little last week. The Australian Wheat Board's price for silo wheat for local flour and small export orders was unchanged at 3s.11 $\frac{1}{4}$ d. a bushel, f.o.r., Sydney. Bagged wheat in No. 2 pool (1939-40) was reduced from 4s.2 $\frac{1}{4}$ d. a bus. to 4s.0 $\frac{3}{4}$ d. a bus. from Nov. 7 to allow for depreciation in the value of bags. Compensating for the increase of 6s. a ton in the flour tax on Oct. 22 the price of flour sold locally was increased by 3s. a ton to £12.13s. a ton as from Nov. 14 1940. This was the first alteration in the price of flour since Feb. 29, 1940.

## PRICES OF WHEAT IN NEW SOUTH WALES.

<u>Bulk Wheat.</u>	Seasons ended November.			October.		Nov. 16,
	1931-35.	1937.	1939.	1939.	1940.	1940.
	Shillings and pence per bushel.					
Ex trucks, Sydney	2 9 $\frac{1}{2}$	5 3	2 5	2 8	3 11 $\frac{1}{4}$ (b)	3 11 $\frac{1}{4}$ (b)
Equiv. ex farm at Country siding (a)	2 2 $\frac{1}{2}$	4 8	1 9 $\frac{1}{2}$	2 0 $\frac{1}{2}$	(c)	(c)

- (a) Exclusive of bounty. (b) Prices for sale for local consumption.  
 (c) Advances made give farmers about 2s.5d. (net) a bushel. Further payments depend upon realisations for the whole 1939-40 crop.

BUTTER. Because of inadequate rainfall, butter production in New South Wales is said to have declined, though, under normal conditions a rapid increase is experienced at this time of the year. This is unfortunate, especially in view of Britain's need of butter. Other States are affected similarly and in consequence the proportion of production to be available for export (63 per cent.) is the smallest November quota of the last seven years. The proportion of butter made permitted to be sold in New South Wales was as under:-

	<u>1934.</u>	<u>1935.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
	Proportion of butter for sale within the State. (%).						
November.	26	27	32	34	33 $\frac{1}{2}$	32	37

In New South Wales factories 6,453,242 lb. of butter was made in September, 1940 - less than in that month of any year since 1929. In Sept. Qr. production was

/16.54 .....



## PART I (Continued)

16.54 million lb. in 1940 compared with 20.27 m. lb. in 1939 and an average of 20.86 m. lb. in that quarter of the peak years 1931 to 1935.

## PRODUCTION OF BUTTER IN FACTORIES - NEW SOUTH WALES.

		<u>Av. 1931-35.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
September	Mill.lb.	7.85	6.84	7.03	6.91	7.34	6.45
Sept. Qr.	"	20.86	17.40	16.03	16.24	20.27	16.54

Under present conditions the return to dairy farmers varies principally in relation to production as both the prices locally (158s.8d. a cwt.) and under the British contract (137s.2d. Aust. a cwt. - choicest) are fixed for long periods. The increase in the pay to suppliers of cream to certain North Coast factories from 12d. a lb. in October, 1939 to 12<sup>5</sup>/<sub>8</sub>d. a lb. in October, 1940 is partly due to the greater proportion of butter marketed at the higher local price. Trends in prices of cream are illustrated below:-

## PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES - N.S.W.

	April.	May.	June.	July.	Aug.	Sept.	Oct.	Deferred Pay Jan.-June.
	Pence per lb. of commercial butter made.							
1934	8	9 <sup>1</sup> / <sub>2</sub>	9 <sup>1</sup> / <sub>4</sub>	9 <sup>1</sup> / <sub>2</sub>	10	9	8	1 <sup>1</sup> / <sub>8</sub> x
1937	11 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub> ø	13 <sup>1</sup> / <sub>2</sub> ø	13 ø	13 <sup>1</sup> / <sub>2</sub> ø	1 x
1938 ø	13	13 <sup>1</sup> / <sub>2</sub>	14 <sup>1</sup> / <sub>2</sub>	14	14	12 <sup>3</sup> / <sub>4</sub>	12	1 <sup>5</sup> / <sub>8</sub> x
1939 ø	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	12	12 <sup>1</sup> / <sub>4</sub>	12	1.06 x
1940 ø	12 <sup>5</sup> / <sub>8</sub>	13	13 <sup>1</sup> / <sub>4</sub>	13 <sup>1</sup> / <sub>4</sub>	13	13	12 <sup>5</sup> / <sub>8</sub>	1 <sup>3</sup> / <sub>4</sub> x

ø Cartage charges (about <sup>3</sup>/<sub>8</sub>d. a lb.) paid by factories.

x This payment is additional to that shown for each of the relevant months.

METALS. Maximum prices fixed by the British Ministry of Supply (duty paid, delivered to buyer) for copper (£62) lead (£25) and spelter (£25.15s.) per ton were unchanged. In the open market in London quotations of both tin and silver have fluctuated little and at £259.5s. a ton and 1s.11<sup>1</sup>/<sub>4</sub>d. an oz. on Nov. 15 were about the same as the averages in October, 1940.

The average monthly export parities of prices obtained for metals exported from Australia are shown below. In each case the price secured in September, 1940 was considerably better than that ruling before the war. In comparisons with average prices in 1938 those in Sept., 1940 showed the following increases: Silver 17.3% Lead 4.3%, Spelter 25.5%, Tin 25.7% and Gold 20.0%.

## AVERAGE PRICES OF METALS (EXPORT PARITIES, f.o.b.) AUSTRALIA.

	Silver. (standard) oz.	Lead Ton.	Spelter. Ton	Tin (standard) Ton	Gold (Fine) oz.
	s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Av'ge 1937	2 1.0	27 9 3	29 1 6	292 16 5	8 15 1
1938	2 0.1	17 12 11	19 12 10	228 11 10	8 17 1
1939	2 1.4	17 12 1	19 15 3	268 3 6	9 14 4
July, 1939	1 9.1	16 19 1	19 14 6	273 3 3	9 4 11
" 1940	2 2.6	18 10 2	24 5 8	301 3 5	10 11 0
Aug. "	2 3.9	18 16 5	21 17 9	298 10 1	10 12 6
Sept. "	2 4.3	18 8 3	24 12 11	287 9 7	10 13 3

Australian industries are absorbing all copper produced in Australia, and principal producers have taken steps to increase production. A second copper refinery (there is one at Port Kembla) may be built at Mt. Morgan (Queensland). Efforts are being made to expand production of electrolytic zinc also, and the production of aluminium (from N.S.W. aluminium oxide) and magnesium in Tasmania is mooted.

## PART II FINANCE AND TRADE.

BANK CLEARINGS. In recent months inter-bank clearings in Sydney have been greater than ever before. In Aug-Oct., 1940 the index number of clearings was 13 per cent. above the average in 1926-30 and 13 per cent. higher than in the corresponding period of 1939. This marked increase in the money value of business conducted through banking accounts is due principally to general economic stimulation by heavy and rising war expenditure, though substantial export income and somewhat higher prices also have a part. Business confidence generally stands high, and although the adverse rural season, and administrative control of investment and imports, and of some forms of consumption (e.g. petrol, certain raw materials) may be repressive in particular directions, business as a whole seems likely to remain buoyant.

The amount of inter-bank clearings in the ten months ended October, 1940 (£880.2 million) was a record for the period and 16.8 per cent. greater than in the corresponding period of 1939. Other comparisons follow:-

## INTER-BANK CLEARING - SYDNEY.

	Amount. (a)		Index Number. (b)
	October.	Jan.-Oct.	Aug.-Oct.
	£ million.	£ million.	1926-30 = 100.
1929	89.1	869.0	106
1937	80.1	772.1	101
1938	79.5	771.6	101
1939	78.0	753.5	100
1940	90.1	880.2	113

(a) Excluding Treasury bill transactions.

(b) Adjusted to eliminate effects of bank amalgamations and special governmental transactions but not for changes in price levels.

REAL ESTATE. Transfers of property by way of sale registered in October, 1940 amounted to £2,885,000 compared with £2,330,000 in Oct., 1939. The real estate market has brightened in the last few months, sales averaging £2.88 million in July-Oct. compared with £2.44 m. a month in Jan.-June, 1940. The total value for the four months ended October was 14 per cent. less in 1940 than in 1937 or 1938 but slightly greater than in 1936 or 1939.

Investors seeking security of capital and satisfactory income returns have been influential in the market, particularly for flats, houses and small shop property, and high class residences have also been in demand. Business in city property had for long been dull, but inquiry has increased and a £90,000 sale was reported early this month.

Mortgage registrations continue at the lowest level for several years notwithstanding the increase in sales. Apparently a substantial volume of sales is being effected without recourse to outside finance. Attenuation of operations through building societies is a factor in the decline in mortgage registrations revealed in the appended table:-

## REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of October.		Ten months ended Oct.	
	Sales.	Mortgages.(a)	Sales.	Mortgages.(a)
	£000	£000	£000	£000
Av. 1925-29 (b)	(4,619)	(4,042)	(46,190)	(40,420)
1937	3,079	2,241	30,290	19,137
1938	3,111	2,153	31,951	22,072
1939	2,331	1,713	27,709	19,386
1940	2,885	1,144	26,146	14,138

(a) Includes normal renewal of mortgages in 1925-29. Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

(b) Monthly and ten months averages.



STOCK EXCHANGE. In October, 1940, as during the preceding three months prices of ordinary company shares on the Sydney Stock Exchange rose steadily, Investment funds were plentiful but trading was never heavy in recent months and little speculative buying was apparent. Reflecting general confidence, script was firmly held while bond prices were also rising. Recovery of share markets in London and New York and the better war outlook, together with satisfactory balance sheets of important local companies encouraged investors. (In London and New York index numbers on Oct. 31 were about  $\frac{3}{4}$  and 20 per cent. above the low points in June.)

Ordinary share values in Sydney were about 23 per cent. higher at the end of October than at the year's low point at the beginning of July. Prices made further gains in the first week in November which were lost last week, but relatively little selling pressure has appeared.

Average share values in October, 1940 were slightly lower than in Oct., 1939 though index numbers for manufacturing and retail companies were practically the same. The adverse season is reflected in the lower value (10%) of pastoral company shares. From September to October, 1940 there were increases in prices of each principal group, those of 8.1 points for manufacturing, 7.1 points for retail and 16.9 for insurance company shares being noteworthy.

INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.  
Excluding Banks. Par value = 100.

Average for Month.	Shares in Companies engaged in -					Total. 75 Companies	$\frac{3}{4}$ Active Shares.
	Manufac- turing & Distrib- uting.	Retail Trade.	Public Utili- ties.	Pastoral and Finance.	Insur- ance.		
Sept., 1931 (a)	72	60	88	75	121	74	77
Mar., 1937 (b)	214	204	181	169	281	190	200
Oct., 1939	214	165	150	131	258	173	183
Jan., 1940	229	174	152	132	270	182	195
June, "	187	138	129	110	233	151	160
Sept., "	207	158	134	116	235	162	176
Oct., "	215	165	134	118	252	168	184

(a) Lowest point. (b) Highest point.

INTEREST RATES. Mortgages. Rates of interest on private first mortgages show only slight month to month movements but in the three months ended October, 1940 were slightly lower than a year earlier. There was a hardening tendency in 1938 and 1939 but during 1940 this was reversed and the weighted average rates in Aug.-October of 5.0 per cent. for rural and 5.5 per cent. for urban first mortgages were 0.5 and 0.3 per cent. lower than at the change of the year. Recent trends are illustrated as follows:-

Private First Mortgages, N.S.W.	1938	1939	1940.						
	Dec. Qr.	Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Mar. Qr.	June Qr.	Sept. Qr.	Aug.- Oct.
Weighted av. rate of interest, per cent. per annum.									
Rural Mortgages	5.1	5.1	5.1	5.2	5.5	5.4	5.0	5.0	5.0
Urban "	5.4	5.6	5.6	5.5	5.8	5.7	5.6	5.6	5.5

Prevailing average rates are low in comparison with pre-depression years. For rural mortgages they are less than one-quarter per cent. higher and for urban mortgages less than one-half per cent. higher than in 1935 when mortgage interest rates were at their lowest level. With low interest rates firmly established in other fields, and public policy directed to maintaining them so, any change in mortgage interest rates may be toward lower levels.

## AVERAGE RATE OF INTEREST ON PRIVATE FIRST MORTGAGES, N.S.W.

	Average - Calendar Year.						Aug.-Oct.	
	1934.	1935.	1936.	1937.	1938.	1939.	1939.	1940.
	Weighted average rate of interest - per cent. per annum.							
Rural Mortgages.	5.1	4.8	4.9	5.0	5.0	5.2	5.3	5.0
Urban "	5.3	5.2	5.2	5.3	5.4	5.6	5.6	5.5

Government Securities. During October and the first half of November, 1940 prices of Australian Government bonds continued the upward trend which has persisted during the war period with only a minor check in May and June, 1940. On Oct. 14, 1940 the average net redemption yield on bonds of five or more years maturity (£3.3s.9d. per cent.) was the lowest on record, about 17s.6d. per cent. below the average in September, 1939 and about 4s. per cent. below the yield permitted by fixed minimum prices of bonds. Coinciding with a strong market for equity securities, this trend is an indication of general confidence. It has been realised because of a plentitude of investment funds created by higher export income, greater internal activity, control of new investment and appropriate use of central bank credit in earlier stages to overcome financial stringency.

It is understood that another War Loan of £25 m. is to be offered early next month and that the terms will be similar to those of the £20 m. issue in May, 1940, i.e. optional periods of five and ten to sixteen years at rates of  $2\frac{3}{4}$  and  $3\frac{1}{4}$  per cent., respectively, at par. In all the Commonwealth is expected to borrow at least £70 m. this financial year.

The Metropolitan Water Sewerage and Drainage Board's £900,000, 14 years loan at  $3\frac{3}{4}$  per cent. closed on Nov. 2 with subscriptions totalling £867,150 leaving only 3.65 per cent. with the underwriters. Early in November a loan of £150,000 for 10 years at  $3\frac{5}{8}$  per cent. for the Melbourne and Metropolitan Board of Works was fully subscribed.

## NET REDEMPTION YIELD ON AUSTRALIAN CONSOLIDATED LOANS.

	Bonds maturing in -			
	Over 5 to 10 years.	Over 10 to 15 years.	Over 15 years.	Over 5 years. (Overall rate)
	Average Net Redemption Yield - per cent. per annum.			
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Average - 1935	3 9 7	3 10 1	3 13 9	3 11 1
- 1938	3 14 5	3 15 0	3 15 10	3 15 0
" Jan.-June 1939	3 17 9	3 18 4	3 18 4	3 18 1
" September 1939	4 1 0	4 1 1	4 1 9	4 1 3
" July 1940	3 5 9	3 7 9	3 8 8	3 7 3
" October "	3 2 10	3 6 2	3 8 1	3 5 5
November 14, 1940	3 0 6	3 4 8	3 6 11	3 3 9

SAVINGS BANKS. In New South Wales small savings accumulated in the four months ended October exceeded £1 million a month. In savings banks increases in deposits have been much greater than ever before. The movements in savings bank deposits in the four months ended October compare as under:-

<u>July to October.</u>	<u>1935.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
Increase: £000	895	(-) 45	1,008	757	(-)863	2,467

War Savings Certificates are being purchased in substantial volume. The rate of small savings far exceeds that of months prior to the break in May-June, 1940. Greater employment and increased earnings have increased the capacity, and patriotic motives the incentive, to save. Combining savings deposits and war saving certificates recent monthly movements were:-



<u>1940</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
		£000.	Increase	+	Decrease	-	
Savings Deposits	+ 297	- 1877	- 4608a	+ 24	+ 939	+ 753	+ 741
War Sav.Certs. Ø	+ 97	+ 369	+ 1944	+1196	+ 455	+ 309	(+ 300)
	+ 394	- 1508	- 2664	+1220	+1394	+1062	(+1041)

Ø Amount received (80% of face value) during month.

a Excluding interest additions (£1,562,000).

During October, 1940 the number of open savings accounts increased by 6,869 making a total increase of 21,581 since June 30, 1940.

#### SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances.		Increase in Deposits.		Open Savings Accounts.	
	At 30th Sept.	At 31st Oct.	In October.	In year ended Oct.	At 30th Sept.	At 31st Oct.
	£000	£000	£000	£000	000	000
1936	79,773	79,955	182	1,154	1,185	1,192
1937	82,461	82,960	499	3,005	1,246	1,254
1938	86,436	86,763	327	3,802	1,312	1,318
1939	86,557	86,751	194	(-) 12	1,316	1,320
1940	83,827	84,568	741	(-) 2,183	1,327	1,334

Minus sign (-) denotes decrease.

OVERSEA TRADE - AUSTRALIA. In October, 1940 commodity exports (£stg.8.51 m.) and imports (£stg.9.59 m.) increased by 7.6 and 30.8 per cent., respectively, in comparison with October, 1939. Imports were greater than in either August or September, 1940 but were substantially below the average of earlier months of this year. The course of imports (value) in 1939 and 1940 was:-

<u>Imports, Australia.</u>	<u>Mar.Qr.</u>	<u>June Qr.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>July-Oct.</u>
1939 £mill.	25.1	23.5	8.9	9.2	6.8	7.3	32.2
1940 "	<u>35.0</u>	<u>33.2</u>	<u>12.6</u>	<u>8.8</u>	<u>8.9</u>	<u>9.6</u>	<u>39.9</u>
Increase %	<u>39.4</u>	<u>41.3</u>	<u>41.6</u>	- <u>4.3</u>	<u>30.9</u>	<u>30.8</u>	<u>23.9</u>

In the last three months the value of imports was 22 per cent. below those of the first three months of this year. In assessing the import position, cognisance should be taken of the higher costs of imported goods (including ocean freights and insurance) and of imports of non-civil goods not separately stated. Thus an import surplus, if the result of a heavy inflow of war materials and equipment, might cloak a favourable movement in ordinary trading.

Particulars released covering September Qr. show that for five important items of ordinary consumption (fish, tea, tobacco, jewellery etc. and apparel) imports in 1940 were 40 per cent. below the value in 1939 and motor chassis etc. imports decreased by 24 per cent. Textiles and yarns rose sharply (by 73%) and machinery, metals and metal manufactures (exclusive of motor chassis etc.) which would include war materials and equipment, increased by over 50 per cent. Import restrictions now in force aim to cut off non-sterling imports of a value (in 1938-39) of £10.5 m. to £11 m. a year. Petrol rationing and restrictions for use for non-essential civilian purposes of some raw materials (e.g. aluminium) should supplement import restrictions in saving non-sterling exchange.

In regard to exports price conditions are materially the same as in 1939-40, but shipping difficulties may increase and it is unlikely, owing to the adverse season that as much primary produce will be available for export as in last financial year. (Exports of butter decreased by £stg.1.58 m. or nearly 60% in Sept. Qr. 1940 compared with Sept. Qr., 1939).

/The following.....

The following comparisons show that in the four months ended Oct., 1940 the value of exports (£stg.34.07 m. was the greatest for the period of any recent year and nearly 25 per cent. greater than in July-Oct., 1939. For the period imports exceeded exports by £stg.5.82 m. which was rather greater than the adverse balance for the four months in previous years.

OVERSEA TRADE (MERCHANDISE ONLY) - AUSTRALIA. ø

Merchandise--	October.			Four months ended October.				
	1938.	1939.	1940.p.	1936.	1937.	1938.	1939.	1940.p.
	Value in £stg. million.							
Exports	9.24	7.91	8.51	27.38	33.24	29.62	27.34	34.07
Imports	8.20	7.33	9.59	30.68	36.54	34.25	32.21	39.89
Import Surplus	1.04x	.58x	1.08	3.30	3.30	4.63	4.87	5.82

ø Particulars of bullion and specie not available for publication.  
p. Preliminary.            x Export surplus.



BUILDING INDUSTRY.Buildings Commenced - Metropolitan Water Board Area.

(Note: Government Buildings are included).

An increase in housebuilding and some big miscellaneous jobs (hospitals, etc.) tend to keep the building industry active. There are few new projects in the city. The erection of business premises has decreased, and the recent higher level of flat building was not maintained in Oct.

Houses commenced in July-Oct. numbered 2,732 in 1940 and 2,681 in 1939. Some new building societies are to function in the Wollongong-Port Kembla district.

Buildings of a value of £1,101,000 were commenced in the Metropolitan Water Board Area in October, 1940. This amount approximated the average for preceding months of this year (£1,107,000 a month) and was £170,000 greater than in Oct., 1939. Trends in building activity in recent years are illustrated as under:-

Value of Buildings Commenced - Metropolitan Water Board Area.

		<u>Mar.Qr.</u>	<u>June Qr.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Jan.-Oct.</u>
1937	£000	2091	2604	1309	968	1074	936	8,982
1938	£000	3061	3248	1297	1341	972	846	10,765
1939	£000	3076	3269	1012	1180	840	931	10,308
1940	£000	3053	3413	1438	1052	1001	1101	11,058

In the ten months ended October 1940 buildings commenced were greater in value than in any recent year and 7.3 per cent. above the value in Jan.-Oct., 1939. There has been a marked falling off in city buildings but activity has increased elsewhere in the Area, and has been very considerable in the industrial centres of the South Coast. Comparative particulars of value are:-

Ten months ended October.

		<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
In City	£000	1518	2292	1764	1615	1404
In Suburbs	£000	6323	6690	9001	8693	9654

Housebuilding has been very active and in the last four months the value of houses commenced was highest of any four-months period since 1929. In October the amount for flats was lowest of this year and well below the monthly average in recent years. Totals for business premises have fluctuated but have generally fallen appreciably below those of 1937 to 1939. Heavy expenditure on new hospital buildings (including five totalling £543,000 in the last six months) has contributed to the increase for "miscellaneous" buildings. Movements are shown in the following table:-

Metropolitan Water Board Area - Value of Buildings Commenced.

Type of Building.	1938.	1939.				1940.			
	Dec. Qr.	Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Mar. Qr.	June Qr.	Sept. Qr.	Month of Oct.
	Monthly Average Value - £000.								
Houses	482	494	474	556	465	484	484	596	576
Flats	158	168	159	193	99	167	211	208	138
Business Prem.	211	271	349	225	198	312	240	212	160
Miscellaneous	22	92	107	37	82	54	202	147	227

Details of value according to the class of building commenced in the ten months ended October of each of the last five years are given below. Percentage changes from 1939 to 1940 are shown in the last column. This year more money has been

/committed.....

committed for houses than in any other recent year and the amount for flats was exceeded only in 1938. The amount for business premises was relatively large, though less than in the corresponding ten months of 1937 to 1939, while the total for miscellaneous buildings was extraordinarily high, partly for reasons noted above, and partly due to expenditure on military and other defence buildings.

**BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.**  
Including new buildings, additions, etc. and Government buildings.

Type of Building.	October.		Ten months ended October.						Increase: 1939 to 1940.
	1939.	1940.	1936.	1937.	1938.	1939.	1940.		
	Value in Thousands of Pounds.								
Dwelling Houses	547	576	3,502	3,469	5,076	5,119	5,270	2.9%	
Flats	130	138	1,516	1,620	2,137	1,689	1,899	11.9%	
Business Premises $\phi$	168	160	2,327	3,213	3,044	2,704	2,453	(-) 9.3%	
Miscellaneous x	86	227	496	680	508	796	1,436	80.4%	
Total	931	1,101	7,841	8,982	10,765	10,308	11,058	7.3%	

$\phi$  Shops, factories, offices, etc.      x Churches, theatres, schools, hospitals, etc.  
Minus sign (-) denotes decrease.

**DWELLING HOUSES.** In this Area 696 dwelling houses were commenced in October, 1940 - 49 more than in Oct., 1939 - compared with an average of 611 in the first nine months of this year. There has been considerable housebuilding activity in the Port Kembla-Wollongong area, where operations under co-operative building societies have continued, and for which additional finance has been arranged recently. An examination of returns shows that of 3,460 houses commenced in the Water Board Area in the first half of this year, 834 were outside the boundaries of the statistical metropolitan boundaries. Generally, however, housebuilding under auspices of building societies has decreased, and the maintenance of a high level of this type of building reflects an increase in private investment in property of this kind. The number of houses commenced in the last four months was practically as great as at any time in post-depression years, and compares with those of a year ago (in parenthesis) as follows: July, 743 (652); August 629 (765); September, 664 (617) and October 696 (647).

In the ten months ended October 6,192 houses were commenced in 1940 compared with 6,325 in 1939, 6,241 in 1938 and 4,536 in 1937. The decrease of 2.1 per cent. in comparison with last year occurred wholly in the first six months of the year as the following statement shows:-

**INDIVIDUAL HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.**  
(Flats are not included).

	Month of October.	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Year ended October.
		Number of dwelling houses.				
1935	401	941	912	1,125	1,065	3,839
1936	444	1,273	1,251	1,668	1,195	5,300
1937	554	1,152	1,212	1,618	1,592	5,287
1938	637	1,267	1,857	2,120	1,853	7,279
1939	647	1,859	1,785	2,034	1,663	7,541
1940	696	1,740	1,720	2,036	-	7,208

/BUILDING PERMITS..



BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS - N.S.W.

(Note: Permits do not include Government buildings)

Private building tended to revive early in 1940 but decreased in Sept. Qr. Permits for houses, flats and shops decreased and for factories and miscellaneous buildings, increased in value in Jan.-Sept. 1940 compared with 1939. Public building (military camps, etc.) offset the decrease in private building.

Dwellings proposed in Sept. Qr. (and Jan.-Sept.) declined from 1019 (3238) in 1939 to 730 (2416) in 1940.

In the year ended Sept., 1940 permits for private buildings granted in 129 rural and industrial towns in New South Wales were 17.4 and 28.4 per cent. lower in value than in the corresponding twelve months of 1938-39 and 1937-38. After some recovery in March and June Quarters the total fell back to the low level of Dec. Qr., 1939. But the decrease in private building has been offset substantially by the large amount of public building (military camps, etc.). In the year ended September, 1940 contracts for Government buildings for erection outside the Metropolis totalled £2,505,000 including £1,136,000 in September Qr., 1940. Trends in the value of permits for private buildings are shown in the following table:-

	<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended Sept.</u>
Value of Permits Granted - £000.					
1936	917	987	1133	979	3,993
1937	1010	1221	1230	1134	4,440
1938	1461	1256	1378	1184	5,229
1939	1166	1126	1067	902	4,543
1940	922	1015	905	-	3,744

A geographical distribution of permits reveals that in Sept. Qr., 1940 the value in the Newcastle district was the greatest and in other rural and industrial towns the least in any recent quarter. However, arrangements presage considerable house-building in the industrial centres of the Illawarra and at Lithgow in the near future. Comparisons of value are:-

	1939.				1940		
	Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Mar. Qr.	June Qr.	Sept. Qr.
	£000	£000	£000	£000	£000	£000	£000
Newcastle District	244	222	235	153	206	289	325
Wollongong, N. & Cent. Illawarra	206	84	121	120	110	124	65
Broken Hill	30	36	36	57	21	48	14
Six Towns near Sydney	70	87	106	58	65	58	55
Other Country Towns	616	697	569	514	520	496	446
Total, 129 Towns	1166	1126	1067	902	922	1015	905

In Sept. Qr. 1940 amounts for all principal classes of buildings except hotels, etc. were considerably below those in the earlier quarters of this year. In comparison with Sept. Qr., 1939 conspicuous movements were decreases of 30 per cent. for houses and 33 per cent. for shops. Factory building outside the metropolis fluctuates but comparisons for the nine months ended Sept. indicate maintenance of a relatively high level. Details for each quarter of the war period (and Sept. Qr., 1938) are as follow:-

/Quarter.....

Quarter ended.	Houses.	Flats. (a)	Hotels. etc.	Shops. (b)	Factories. (c)	Other Buildings.	Total.
Value (£1,000) of Proposed Buildings.							
Sept, 1938	731	38	130	183	62	234	1,378
" 1939	738	30	89	91	24	95	1,067
Dec., "	579	18	92	62	33	118	902
March, 1940	568	16	54	89	70	125	922
June, "	582	29	81	69	39	215	1,015
Sept. "	516	13	129	60	27	160	905

Includes (a) conversion to flats, (b) shops with dwellings and (c) public garages.

The value of permits in the nine months ended Sept., 1940 was £2.84 million. This was lowest for the period since 1935, showing decreases from 1939 of 15.4 per cent. and from 1938 of 30.6 per cent. Values for each type of building were much below those of Jan.-Sept., 1937 or 1938. Compared with the nine months of last year decreases for houses, flats and shops and an increase in miscellaneous buildings were the principal movements. (See percentages in table)

BUILDING PERMITS GRANTED - RURAL AND INDUSTRIAL TOWNS, N.S.W.  
(Not including Government buildings.)

Type of Building.	Nine Months ended September.					Movement, 1939 to 1940.
	1936.	1937.	1938.	1939.	1940.	
	£000	£000	£000	£000	£000	Per cent.
Dwelling houses	1967	1866	2211	2106	1665	(-) 20.9
Flats - New and converted	47	86	90	131	58	(-) 55.7
Hotels, Guest Houses etc.	x	452	435	311	264	(-) 15.1
Shops & Shops with dwellings	469	323	399	308	218	(-) 29.2
Factories & Public Garages	102	162	361	124	136	(+) 9.7
Other buildings. ø	452	572	599	379	501	(+) 32.2
Total -	3037	3461	4095	3359	2842	(-) 15.4

x Included with dwelling houses. ø Includes offices, theatres, churches, private schools, etc. (-) Decrease. (+) Increase.

**DWELLINGS.** In these industrial and rural towns the number of net additional dwellings proposed varied little in the first three quarters of the war - 827, 847 and 839 successively - but decreased to 730 in Sept. Qr. 1940. That number was 517 and 289 less than in the corresponding quarters of 1938 and 1939. In some localities, under the influence of industrial development and establishment of permanent Air Force training centres housebuilding activity has continued, but in general, and contrary to experience in the metropolis, building enterprise of this kind has been checked. This synchronised with approaching exhaustion of loanable funds of country co-operative building societies; at Sept. 30, 1940 82 per cent. of the members had loans approved, and 96 per cent. of the advances approved had been made. Amounts paid out by the societies were:-

	1938. (Year).	1939 Mar.	(Quarters) June. Sept. Dec.			1940 Mar.	(Quarters) June. Sept.	
£000	1,309	244	269	246	199	144	148	94

An average of 268 dwellings a month was included in permits in Jan.-Sept., 1940 compared with averages of 360 in 1939, 385 in 1938 and 275 a month in 1929. Comparative particulars for various periods are appended:-



## PART III (Continued)

## DWELLINGS INCLUDED IN BUILDING PERMITS - 129 Towns, N.S.W.

Period.	Houses.		Flats.	Convert- ed to Flats.	Hotels, Guest Houses.	With Shops.	Less Demol- itions etc.	Net Total.
	Brick etc.	Wood, Fibro.						
			Number of dwellings.					
Year 1936	747	3067	102	51	ø	104	165	3,906
1937	866	3098	157	78	27	112	150	4,188
1938	798	3648	111	81	25	105	204	4,564
1939	666	3265	154	105	17	75	217	4,065
Jan.-Sept. 1938	625	2801	92	60	20	85	132	3,551
1939	504	2615	139	86	13	63	186	3,238
1940	410	1899	59	85	13	56	106	2,416
Sept. Qr., 1939	178	832	27	22	4	29	73	1,019
June Qr., 1940	133	658	39	26	4	17	38	839
Sept. Qr. 1940	127	598	10	12	7	4	28	730

ø Included with brick houses.

BUILDING PERMITS - NEW SOUTH WALES.

Particulars of building permits granted in urban and semi-urban areas embracing about 73 per cent. of the population of New South Wales show that private building has decreased during the first year of the war. In Sept. Qr., 1940 permits totalled £4,040,000. This was less than in June Qr., 1940 or in Sept. Qr. of each of the preceding four years, and about 30 per cent. below the total in Sept. Qr., 1938. Quarterly totals illustrating recent trends in private building are :-

		<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended Sept.</u>
1937	£000	3,079	4,363	4,585	4,630	15,560
1938	£000	4,817	5,170	5,739	4,646	20,356
1939	£000	4,254	4,647	4,894	3,786	18,441
1940	£000	3,511	4,299	4,040	-	15,636

Thus, in the twelve months ended Sept., 1940 there was a decrease in value of private building permits of £2,805,000, but because of heavy expenditure upon defence and other public buildings, the building industry has been kept well employed; the combined total value for private and public building was greater in Sept. Qr., 1940 than in any quarter of the preceding nine months:-

## Value of Private and Government Buildings Proposed.

		<u>1939. Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>1940. Mar. Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>
Private ø	£000	4,894	3,786	3,511	4,299	4,040
Public	£000	<u>656</u>	<u>409</u>	<u>675</u>	<u>849</u>	<u>1,454</u>
Total ø	£000	5,550	4,195	4,186	5,148	5,494

ø Exclusive of rural areas containing about 750,000 persons for which no building returns are made.

As regards private building the value of proposals in Sept. Qr., was less in each geographical area (see table) than a year earlier and increased only in the city of Sydney in comparison with June Qr., 1940. Longer period comparisons show that building in the city area has been very depressed. In the suburbs of Sydney and adjacent shires activity in house-building has kept permit totals at a relatively high level, while the substantial fall in value in rural and industrial towns is due largely (but not wholly) to the decline in residential proposals in those towns.

/Future.....

Future building prospects are not clear. Higher costs of building, difficulty of prospective new building societies in securing finance, and official investment control tend toward curtailment, but the demand for housing, the attraction of property as an investment, and the possible need for new industrial and warehouse premises as the war progresses may prove important factors. It is probable that the erection of military buildings will not continue on such a scale as in 1939 and 1940.

VALUE OF BUILDING PERMITS GRANTED - NEW SOUTH WALES.  
(As far as recorded. Excludes Government buildings).

Period.		City of Sydney.	Suburbs of Sydney.	129 Rural & Industrial Towns.	7 Semi- Urban Shires.	Total of Fore- going.
		£000	£000	£000	£000	£000
Year	1929	3,547	10,798	4,526	851	19,722
	1936	2,309	7,821	4,016	652	14,798
	1937	2,544	8,717	4,594	801	16,656
	1938	3,410	10,632	5,279	1,051	20,372
	1939	1,886	10,334	4,261	1,101	17,582
Jan.-Sept.	1938	2,555	8,313	4,095	783	15,746
	1939	1,445	8,171	3,359	821	13,796
	1940	911	7,236	2,842	860	11,849
Sept.Qr.	1939	589	2,942	1,067	296	4,894
June Qr.	1940	262	2,717	1,015	304	4,298
Sept.Qr.	"	424	2,420	905	291	4,040

BUILDING SOCIETIES, N.S.W. In recent months a few new co-operative building societies have been formed in cases where finance has been arranged to meet urgent needs for new housing in industrial centres, but generally the formation of new societies is still precluded by inability to secure the necessary finance. At Sept. 30, 1940 there were 177 co-operative terminating building societies registered in New South Wales with 19,284 members holding 252,355 shares. Of these societies 173 had allotted shares, 167 had approved loans and 166 had made advances to members. Although six new societies were registered in Sept. Qr., 1940 there were small decreases in the numbers of members and of shares held; a few loans have been discharged, and enlistments for military service probably obliged a number of members to withdraw. Particulars showing quarterly movements distinguishing metropolitan and country societies are as under:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES, N.S.W.

	Metropolitan.			Country.			All Societies.		
	Members	Shares	Advances made.	Members	Shares	Advances made.	Members	Shares	Advances made.
	No.	000	£000	No.	000	£000	No.	000	£000
At Dec. 31, 1938	12,093	156.6	4218	5,708	60.6	1308	17,801	217.2	5526
Jan.-June, 1939	1,273	20.9	1386	287	.3	513	986	21.2	1899
July-Dec., "	133	7.3	1278	333	3.1	446	466	10.4	1724
March Qr., 1940	58	1.0	467	51	1.0	144	109	2.0	611
June " "	122	2.5	370	9	.4	148	131	2.9	518
Sept. " "	47	.5	366	162	.9	94	209	1.4	461
At Sept. 30, 1940	13,632	187.8	8085	5652	64.5	2653	19,284	252.3	10739

Ø Basis changed in June Qr., 1939 to include only societies assured of finance.

Approximately 80 per cent. of all members have had loans approved and at Sept. 30, 1940 95.4 per cent. of the amount of advances approved had been paid out by the societies. Advances made averaged £460,000 a month in 1938 and £302,000 in 1939, but have diminished progressively and averaged £204,000, £173,000 and £154,000 in succeeding quarters of this year. As a factor in housebuilding activity the influence of the societies has waned.

/Particulars.....



Particulars of the lending activities of co-operative building societies from inception to Sept. 30, 1940 are as follow:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES, N.S.W.  
Operations to 30th September, 1940.

Purpose of Loans.	Loans Approved.		Advances Made.	
	Number.	Amount.	Number.	Amount.
		£000		£000
To build new homes	8,630	6,472	8,207	6,033
To buy existing homes ø	5,601	4,177	5,473	4,072
To discharge mortgages on homes	1,329	869	1,314	857
To add to or alter homes	282	63	270	62
For other purposes	31	24	29	22
Totals	15,873	11,605	15,293	11,046
Less Loans Discharged	357	307	357	307
Net Totals	15,516	11,298	14,936	10,739

ø Mostly newly erected houses.

MOTOR VEHICLES. New motor vehicle sales have been increasing slightly since July last but still averaged only 192 a week in October, 1940 compared with 642 a week in Oct., 1937 and 459 a week in Oct., 1939.

AVERAGE WEEKLY NUMBER OF NEW MOTOR VEHICLES REGISTERED, N.S.W. ø

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	May	June	July	Aug.	Sept.	Oct.	May	June	July	Aug.	Sept.	Oct.
1937	523	497	451	414	415	421	187	218	202	210	200	221
1938	487	383	357	340	368	343	207	155	156	147	181	177
1939	417	376	305	322	270	314	151	141	133	146	126	145
1940	176	115	63	88	118	128	103	70	60	53	63	64

ø Exclusive of military and Air Force vehicles.

Rationing of petrol began on Oct. 1, 1940. No significant change in the number of vehicles in use is apparent and the small increase in sales may imply dissipation of fears of some motorists of a prohibitive ration. The high prices of petrol, oils, tyres, etc. probably are of more importance as restrictive influences. In present circumstances a materially greater turnover of new motor vehicles seems neither desirable nor likely. As a large proportion of the vehicles on the register is of modern type suspension of replacement for some time should not affect the efficiency of road transportation.

The downward trend in total registrations experienced during the war period was checked last month by an increase in cars of 162 and in lorries and vans of 333 but on Oct 31, 1940 there were 11,653 fewer cars and 2,586 fewer lorries and vans on the register than on Aug. 31, 1939. The new requirement of certification as to road-worthiness before renewal of registration supplemented other factors in bringing about this decrease. Trends in motor registrations were:-

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES.

	1933.	1938.	1939.		1940.				
	July.	Oct.	Aug.	Oct.	Mar.	June	Aug.	Sept.	Oct.
			Thousands.						
Cars	148.2	208.0	216.6	216.1	214.6	209.5	205.2	204.8	205.0
Lorries & Vans	42.2	75.0	77.6	77.4	76.4	75.6	74.6	74.7	75.1
All Vehicles	216.5	316.7	329.2	328.3	324.8	318.2	312.3	312.1	312.7

## PART III (Continued)

RAILWAYS, N.S.W. In recent months railway goods traffic and working surpluses surpassed previous records and passenger traffic also increased. Damming-up during the coal stoppage (March-May) accounted for some of the subsequent increase, but the continued high levels reflect unprecedented industrial activity and employment and defence activities. The improvement in comparison with one and two years ago stands out clearly:-

	Passengers.(million)				Goods Ton Miles (mill.)				Working Surplus (£000)			
	Jun.	Jul.	Aug.	Sep.	Jun.	Jul.	Aug.	Sep.	Jun.	Jul.	Aug.	Sep.
1938	15.7	15.6	15.8	15.5	157	162	152	138	-237	372	392	383
1939	14.8	15.2	14.3	14.3	158	147	157	171	-229	370	502	669
1940	15.5	15.5	14.9	15.9	181	238	231	207	- 21	808	825	769

This year's wool clip came forward early and the wheat harvest may be less than half that of 1939-40; consequently a much lighter movement of bulky rural products is likely in later months. On the other hand transport of troops and war materials may increase.

Comparative particulars of operations in the first quarter of the financial year are appended. The increase in profit on railway operation (£860,000 compared with Sept.Qr., 1939) is an important factor in an improving State budgetary position.

## NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of September.			September Quarter.		
	Passenger Journeys.	Goods Ton mileage.	Working Surplus.φ	Passenger Journeys.	Goods Ton mileage.	Working Surplus.φ
	million	million	£000	million	million	£000
1931	10.0	122	312	29.8	346	658
1937	15.0	150	552	46.1	440	1488
1938	15.5	138	383	46.9	452	1148
1939	14.3	171	669	43.9	475	1541
1940	15.9	207	769	46.4	676	2402

φ Excess of earnings over working expenses, excluding interest, etc. charges which in 1939-40 amounted to £6,561,000.

ROAD TRANSPORT SERVICES. Economic conditions have resulted in increased travelling on Governmenttrams and buses in Sydney and Newcastle. Operating results of these services in September and September Qr., 1940 were more favourable than in the corresponding periods of any recent year. This improvement is due to increased earnings because of the greater number of passengers carried, and a slight reduction in working expenses notwithstanding higher wages costs etc. The latter result can be attributed to economies in which substitution of omnibuses for trams on formerly non-profitable routes has a place.

## GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of September.				September Quarter.			
	Earn-ings.	Working Expenses.	Working Surplus.φ	Passen-gers.	Earn-ings.	Working Expenses.	Working Surplus.φ	Passen-gers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1937	333	282	51	28.7	1003	834	169	87.1
1938	346	304	42	30.0	1026	910	116	89.2
1939	355	302	53	30.1	1060	924	136	90.4
1940	364	300	64	30.9	1104	913	191	94.6

φ Excess of earnings over working expenses, exclusive of interest, sinkings fund, exchange and depreciation totalling in 1939-40, £671,000.